

ALLIED TO EXPAND DISCOUNT SELLING

Allied Stores Corporation's flirtation with discounting has blossomed into a serious romance.

The company's three-year-old Almart division has emerged into "a proved success" and at least 10 stores will be in this division by the end of the nineteen-sixties, Theodore Schlesinger, president, said yesterday.

A fifth store, the second in the Wilmington, Del., area, will be added by October in the Concord Mall Shopping Center on Route 202, the Concord Pike, Mr. Schlesinger said. The new unit will be the same size as the other Almart in Wilmington, 120,000 square feet with provision for expansion.

Allied Stores, which had sales of \$893.3 million in the latest fiscal year, or 7.7 per cent over the previous year's, operates 102 department stores, including Stern Brothers and Gertz Long Island in the metropolitan New York area.

Its entrance into discounting in 1962 was in the nature of a test, which according to Mr. Schlesinger, has proved successful "because Almart made substantial progress last year and

all four existing stores are in the black."

Functioning as an autonomous organization within Allied, Almart's current sales are about \$25 million and are expected to reach \$30 million by the end of the year, he said.

From a profit standpoint, the discount group is still below that of Allied's traditional stores but sales per square foot of selling space are higher in the low-margin stores.

Unsure at First

When Theodore Schlesinger, president of Allied Stores Corporation which operates Stern's, first suggested to Mr. Walters the possibility of coming to New York as head of the 42d Street store, the Oklahoman was unsure.

"I hadn't been in Stern's for five years and didn't know it. But when I saw the new branch store in Paramus, N. J., I was intrigued."

As a management consultant, Mr. Walters had become used to sizing up situations quickly and acting promptly.

"If you're spending 'X' number at Stern's within three weeks," he said. A believer in stressing greater employee productivity, he began investigating such matters as the ratio of expenses to sales.

"If you're spending 'X' number of dollars for any job, efficiency demands that the sales return be adequate," he explains.

The following actions have been taken at Stern's:

Attempts have been made to provide a more favorable image through advertising and merchandise presentation, involving fashion and quality.

Emphasis has been placed on "Stern's difference" from other stores in New York, particularly in offering greater depth and variety of stocks, a spread of sizes and availability of unusual goods.

Providing the best customer service possible. "When I get a letter of complaint from a customer (we get too many of them), I want to satisfy her so that she doesn't complain to me again." Bill adjustments and merchandise adjustments have been placed under the same department to ensure greater efficiency.

A program to improve gross margins and net profits has been begun through expense control and greater efficiency.

His program is already achieving results, with Stern's completing its best year in a decade, for which Mr. Walters gives a share of credit to his predecessors in management.

In attempting to turn around the company by transforming some of its weaknesses into strengths, Mr. Walters, the efficiency expert, may also, as a by-product, introduce some innovations for retailing at large.

PATRON STRESSED BY STERN'S CHIEF

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originated, not an an 'adjustment counter.'

Mr. Walters was born in Enid, Okla., a town of 35,000. He attended business college for a year, spent two years at Seattle Pacific College, and studied accounting in Chicago at night.

After a brief period as an accountant for a manufacturing firm, he became an executive with All-State Insurance Company, and then worked for 18 months for Booz, Allen & Hamilton, a management consulting firm.

After five years with McKinsey & Co., also a consulting company, he operated a Ben Franklin variety store. Subsequently, he became an executive and vice president for the Dayton Company, Minneapolis department store, and then a vice president of Joseph Horne Company, a leading Pittsburgh department store.

Former Efficiency Expert Institutes Programs Accenting Care of Patrons and Employee Productivity

By ISADORE BARMASH

Take one efficiency expert, business because we didn't take make him president of a department store that has 1,500 employees and three branches, and what happens?

Plenty—and soon. As a matter of fact—within three weeks of appointment.

Every morning, except weekends, Frank W. Walters scouts the floors of Stern Brothers, studying merchandise displays, observing the interplay of sales clerk and customer, analyzing and noting the behavior of the shopper.

In his sixth floor office, the tall, lean executive studies the daily sales reports, conducts an unusual weekly executive meeting on customer adjustments, or lunches with executives and supplier representatives to discuss additions to the company's array of national brands.

"Over the years, we've lost

good enough care of our customers. Now, I think there is considerable plus business to be gained in correcting just that and we've made it an official storewide policy."

The New York customer is, in Mr. Walters' book, a tough one, but no more difficult to handle than in cities like Minneapolis and Pittsburgh, where the new Stern's president previously served as a retail store executive.

"I think it all boils down to the need for Stern's to re-discover the customer," he suggested. "An order received today should be handled today, a complaint registered today should be satisfied today, and adjustments should be handled in the department in which they

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Lindner's Good Named Head of Polsky in Akron

Allied Stores Corp. yesterday named Don K. Good, president of Sterling Lindner, as president of the A. Polsky Co. in Akron.

While Good will continue to head Sterling Lindner, the Akron store will be operated separately, according to Allied President Theodore Schlesinger. Allied owns both companies.

Good began his career with Allied at the Akron store, and has lived in Wadsworth ever since his transfer to the Cleveland operation. After heading the home furnishings section of Sterling Lindner, Good was named president of that company in 1960.

In addition to its Akron store, Polsky's has two Canton branches.



Don K. Good

Plain Dealer Photo

Jamaica Patrols Set

KINGSTON (AP)—Prime Minister Sir Alexander Bustamante says Jamaica's defenses force will be bolstered within a few months with small sea and air units patrolling the coast.

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BIG STORE JOINING THE ALLIED CHAIN

Jordan Marsh—Miami Unit Is the Largest Built in South at One Time

The largest department store ever built at one time under a single roof in the South will be opened this week-end in Miami, Fla., by the Allied Stores Corporation.

The new Jordan Marsh—Miami, located at Biscayne Boulevard and the Venetian Causeway, will have 250,000 square feet on three floors, with provision for adding two more floors. It also will have its own yacht pier, where customers may step off their boats to do their shopping.

The formal opening is set for Monday, with a preview today for charge-account customers.

Allied, largest department store group in the country, already has the largest department store operation in Florida, with its Mass Brothers subsidiaries in Tampa, St. Petersburg, Lakeland and Sarasota, and a furniture store midway between Tampa and St. Petersburg.

Allied also has recognized the importance of Miami as a producing center for goods sold throughout the country. It was the first store group to open a buying office there, chiefly to buy Miami-made fashions.

Jordan Marsh—Miami, in addition to tapping a growing retail market, will give Allied the opportunity to test fashion merchandise in an area where the public buys apparel considerably in advance of most other parts of the country.

Allied's seventy-eight stores throughout the country thus will be able to benefit by the selling experience of the new outlet.

The opening of the Miami store represents a departure from Allied's recent expansion program, which has stressed regional shopping centers rather than downtown stores. Allied is developing a nation-wide network of shopping centers, at a cost of \$304,000,000.

Jordan Marsh—Miami, however, is a \$15,000,000 downtown venture for Allied, planned to serve the needs of Miami's vacationers as well as catering to the increasing number of year-around residents.

10 Shopping Centers Scheduled For Allied Stores Within 3 Years

Chain's Chairman Gives Details of Biggest, 7 Miles From George Washington Span, Where Stern Will Open Branch by '57

B. Earl Puckett, chairman of the board of Allied Stores Corporation reported yesterday that the cost of the ten shopping centers he expects to have in operation within three years will total \$292,720,000. The cost of the seven centers not yet completed totals \$237,600,000.

Mr. Puckett, in a press interview yesterday at the Statler Hotel, also gave details of Allied's largest center, Bergen Mall in Paramus and Maywood, N. J., which is scheduled to be opened in late 1956 or early 1957. The shopping center is less than seven miles from the George Washington Bridge.

At the same time he expressed confidence in the future of downtown stores. Mr. Puckett said his organization had spent \$47,000,000 in expansion and modernization of downtown areas in the last five years and was now spending about \$20,000,000.

Mr. Puckett also said three or four more shopping centers were on Allied's agenda. He estimated that about twenty-five cities could support such centers—that

no more than about fifty could be operated in the nation.

Allied is handling the financing of some of the new centers, he said. In other cases financing has been or will be undertaken by local sponsors. In these latter cases Allied would own or lease the pivotal stores in the center. Mr. Puckett said he felt it will be necessary to go to the security markets for additional financing.

Among the shopping centers scheduled is one on Long Island for Gertz Department Store of Jamaica.

Bergen Mall will house about 100 stores and its projected annual volume is about \$104,000,000. It will have forty-seven entrances and exits and space for 8,600 cars. There will be approximately 1,500,000 square feet of selling space. Stern Brothers will be the main department store, with an initial space of 300,000 square feet. It will be built so it can be expanded to 500,000 square feet. Two other

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SHOPPING CENTERS FOR ALLIED STORES

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department stores are contemplated for the center, the largest being of 150,000 square feet.

The center is divided into three main areas, each connected by walking ramps. One is a grouping of food and utility-item stores, the second is the main group, including the department stores, and the third is a grouping of outlets featuring higher-priced merchandise.

Low-Pressure Merchant Builds High Head of Steam Under Sales

By GENE BOYO

The presidency of the biggest group of department stores in the world would seem to be a high-pressure job, but the Allied Stores Corporation has a low-pressure man at the helm.

B. Earl Puckett has nevertheless pushed sales up from \$70,000,000 to about \$545,000,000 in twenty-one years.

He has changed the red-ink figure of \$3,700,000 for 1932 to a profit of better than \$12,500,000 last year.

How did he do the job? "I delegate responsibility and make sure to delegate authority with it," he said in an interview last week. He feels he has the ability to select competent executives, "men who know how to inspire people to greater efforts." He believes in decentralization of duties.

Mr. Puckett has a theory that the average person operates at only a small percentage of his potential. He tries to improve this percentage in the people who work for him.

He considers carefully before answering a question, and he is not satisfied with pat answers to his own questions. His manner is usually relaxed, friendly, interested. In the words of one of his

subordinates, "He's as comfortable as an old shoe."

Some merchants consider Mr. Puckett a "figure man"—one who puts his faith in what the books tell him. He denies this. Admitting that "the best way to expose facts is through figures," he nevertheless considers people as the foundation upon which to build a successful business.

Mr. Puckett comes from Wayne County, Ill. His first job was teaching, for \$600 a year. The next goal he set for himself was to earn \$1,000 a year, and this he reached as an assistant cashier in a bank.

He raised his target to \$3,000, and hit it, with the help of some correspondence courses, as an employee of an Indianapolis public accounting firm.

His last financial goal was \$18,000. He reached it in 1928, at the age of 31, when he was hired as the controller of Loeser's, then Brooklyn's second biggest department store.

"After that I stopped setting goals," he said. "I just kept at the job."

Within a year he was a vice president and soon afterward he became president. In 1932 the owner put her nephew in charge

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HIGH SALES BUILT ON LOW PRESSURE

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of the store but Mr. Puckett did not have to wait long for another job to come along.

Late in the Twenties a nationwide store group had been set up to combine the best features of department store and chain store operations. The new company—Allied Stores—was hard of the store but Mr. Puckett did hit by the depression but Earl Puckett believed in the basic idea. When the job of vice president was offered to him in 1933, he quickly accepted. A year later he was unanimously elected president.

Only a few weeks back his contract was renewed for eight years.

Although Mr. Puckett's manner is easy-going, he is a tireless worker. He has been known to spend as much as 100 hours a week on store problems.

His devotion to work has made him miss other things in life, he admitted.

"It's just a question of making up your mind what you want and then going after it," he said. "I made up my mind early in life that what I wanted was business success. I concentrated only on that."

Mr. Puckett views the future with tempered optimism. Feeling that the country is committed to inflation as a means of fighting business downturns, he looks for repetitions of the 1954 type of setback but sees little likelihood of a real depression.